GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1190
ANSWERED ON:25.07.2016
Import of Arecanut
Kateel Shri Nalin Kumar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India is producing significant quantity of arecanut and if so, the details of the production of arecanut during the last three years and the current year; Yearwise;
(b) whether there is an unabated import of arecanut from neighbouring countries including Indonesia via Sri Lanka as the import duty is low under South Asian Free Trade Area (SAFTA);
(c) if so, the details of the quantity of imported areca nut under HS Code 0800280 and 080290 during the said period year and month-wise;
(d) whether the Government is aware that imported arecanut destabilises the domestic arecanut prices and badly affects the arecanut industry and farmers in the country; and
(e) if so, whether the Government proposes to bring arecanut out of the SAFTA pact to save the domestic arecanut farmers and the industry and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) India produces more than 7 lakh MT of arecanut annually. Production of arecanut in the country during the last three years is given below.
Year Production (MT)
2013-14 698,821
2014-15 727,407
2015-16 702,869
Source: Directorate of Arecanut and Spices Development

(b) & (c): India imported 31,571 MT of arecanut during 2015-16 from Sri Lanka and 11,283MTfrom Indonesia during the same period. Details of import against HS Code 080280 (arecanut) and 080290 (other nuts) in the last three years and current year (country, value & quantity wise) are given at Annex-I. The month wise import is at Annex-II.

(d): Government has taken appropriate protective measures in the interest of arecanut growers. Import Policy of Areca Nut under ITC (HS) code 0802 80 of Chapter 8 of ITC (HS) 2012 − Schedule -1 (Import Policy) is 'free' subject to Minimum Import Price (MIP) of Rs. 162/- (CIF) per kg vide Notification No.10/2015-2020 dated 8th June, 2015 (earlier the MIP was Rs.110/). Further Customs has fixed tariff value for import of arecanutat $2558 per MT (Notification No. 13/2016). Also, Import duty on arecanuthas been set at 100% BCD plus 4% Special Additional duty. Further, the Food Safety and Standards Authority of India (FSSAI) has advised its field offices to stringently adhere to the quality standards of arecanut before clearing import consignments.

(e) SAFTA is a regional trade agreement with all South Asian neighbours. This issue was raised during the SAFTA meetings held in Islamabad from 2-6 July, 2015 and the Member States were appraised of India's concern in this regard. The matter has also been taken up bilaterally with Nepal, Bangladesh and Sri Lanka on the compliance of Rules of Origin by the Customs authorities. Customs has been tasked to check the rules of origin with utmost care so as to ensure that arecanut grown in countries other than SAARC is not imported through our neighbouring countries taking advantage of low import duty under SAFTA.
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Annex-I
Country-wise import of Arecanut (HS Codes: 080280 & 080290)
(Values in Million US$)
COUNTRY 2013-14 2014-15 2015-16 2016-17

(APR TO MAY)
QTY
(MT) VAL QTY
(MT) VAL QTY
(TMT) VAL QTY
(MT) VAL
AFGHANISTAN 0.2 0.0004 126 0.26 NIL NIL NIL NIL
BANGLADESH PR 37202 56.66 39176 72.5 11614 24.9 434 1.11
CAMBODIA NIL NIL NIL NIL 163 0.41 NIL NIL
EAST TIMOR NIL NIL NIL NIL NIL NIL 12 0.03
INDONESIA 2261 3.38 5789 11.78 11283 22 1685 2.96
MADAGASCAR NIL NIL NIL NIL 115 0.29 NIL NIL
MALAYSIA NIL NIL NIL NIL 3 0.01 NIL NIL
MYANMAR 5672 9.69 8760 18.24 6849 17.14 140 0.37
NEPAL 18556 36.24 12232 26.24 4474 10.92 NIL NIL
PAKISTAN IR 2446 4.53 3673 7.14 403 0.99 NIL NIL
SINGAPORE NIL NIL NIL NIL 652 1.1 1264 3.15
SRI LANKA DSR 14074 26.59 40856 93.26 31571 80.11 2335 6.17
SYRIA NIL NIL NIL NIL 35 0.09 NIL NIL
TANZANIA REP NIL NIL 42 0.08 45 0.12 NIL NIL
THAILAND 267 0.5 102 0.21 NIL NIL 20 0.04
U ARAB EMTS NIL NIL NIL NIL 461 0.58 NIL NIL
U K NIL NIL NIL NIL NIL NIL 17 0.05
VIETNAM SOC REP NIL NIL 114 0.25 156 0.34 NIL NIL
Grand Total 80478 137.59 110870 229.96 67824 159 5907 13.88

NOTE: Figures for 2015-16 and 2016-17 (April to May) is provisional.

Source : DGCIS

Annex-II
Month wise import of Arecanut(HS Code 080280 & 080290)
Month 080280 (Arecanut) 080290 (Other nuts)
Qty(Ton) Val(Million USD) Qty (Ton) Val.(Million USD)

APR-13 145 0.27 11089 15.37
MAY-13 252 0.44 7136 10.05
JUN-13 216 0.41 1346 2.18
JUL-13 455 0.88 6380 11.11
AUG-13 961 1.8 1026 1.84
SEP-13 434 0.77 9740 16.82
OCT-13 1092 2.02 4873 9.73
NOV-13 1835 3.38 4388 8
DEC-13 1296 2.43 5498 8.82
JAN-14 1934 3.63 5991 10.65
FEB-14 1667 3.16 5286 9.84
MAR-14 3745 7.18 3693 6.81
Total (2013-14) 14032 26.37 66446 111.22

APR-14 3675 7.19 9172 17.33
MAY-14 4021 8.16 8664 16.45
JUN-14 3316 6.71 7461 13.98
JUL-14 6286 12.35 331 0.7
AUG-14 3085 6.81 2298 4.58
SEP-14 1356 3.26 11083 20.77
OCT-14 2421 5.85 3988 8.52
NOV-14 3584 8.5 1367 2.85
DEC-14 5287 12.78 1610 3.35
JAN-15 5173 12.16 2647 5.6
FEB-15 6875 15.92 1598 3.44
MAR-15 4957 11.54 10615 21.16
Total (2014-15) 50036 111.23 60834 118.73

APR-15 10598 23.4 nil nil
MAY-15 3746 8.71 3890 8.23
JUN-15 6531 15.55 2358 5.77
JUL-15 3906 10.08 32 0.07
AUG-15 2270 5.98 3312 8.18
SEP-15 1836 4.7 2365 5.69
OCT-15 2916 8.66 3675 5.86
NOV-15 4410 11.78 2056 4.37

DEC-15 3094 7.19 216 0.57
JAN-16 4071 10.7 1938 3.91
FEB-16 965 2.51 1124 2.01
MAR-16 849 2.28 1666 2.8
Total (2015-16) 45192 111.54 22632 47.46
Month 080280 (Arecanut) 080280 (Other nuts)
Qty (Ton)
Val(Million USD)
Qty (Ton) Val(Million USD)
APR-16 763 2.05 1397 2.98
MAY-16 1589 4.17 2158 4.68

Note: Figures for 2015-16, Apr-May,2016 are provisional.

Source: DGCIS